



General Assembly

February Session, 2000

Raised Bill No. 5692

LCO No. 1692

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

An Act Concerning The Reporting Of Insurance Fraud.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 29-311 of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 (a) The Commissioner of Public Safety as State Fire Marshal, any
4 local fire marshal within [his] the local fire marshal's jurisdiction, and
5 all duly authorized fire and police personnel acting within their
6 jurisdiction may enter into and upon any premises or building where
7 any fire or explosion has occurred and premises adjacent thereto,
8 without liability for trespass or damages reasonably incurred, to
9 conduct investigations in accordance with sections 29-302 and 29-310,
10 under the following circumstances and conditions:

11 [(a)] (1) During an emergency by reason of fire or explosion on any
12 premises, they or any of them may, without a warrant, enter such
13 premises during the suppression of the fire or explosion or within a
14 reasonable period of time following the suppression thereof and
15 remain for a reasonable period of time following the suppression of the
16 fire or explosion to: [(1)] (A) Investigate in order to determine the

17 cause and origin of the fire or explosion, [(2)] (B) prevent the
18 intentional or unintentional destruction of evidence and [(3)] (C)
19 prevent a rekindling of the fire.

20 [(b)] (2) After expiration of a reasonable period of time following the
21 suppression of the fire or explosion, they or any of them shall apply in
22 writing under oath to any judge of the Superior Court for a warrant to
23 enter upon the premises to determine the cause and origin of the fire or
24 explosion, if such cause or origin has not been previously determined.
25 The application shall describe: [(1)] (A) The premises under
26 investigation, [(2)] (B) the owner or occupant of the premises, if
27 reasonably ascertainable, [(3)] (C) the date and time the fire or
28 explosion which is the subject of the investigation was reported to a
29 police or fire agency, and [(4)] (D) the dates and times during which
30 the investigative activities to determine the cause and origin of such
31 fire or explosion are to be conducted. The judge to whom an
32 application for a warrant is made may issue such a warrant upon
33 finding that the requirements of this subsection have been met, and
34 that the proposed activities are a reasonable intrusion onto the private
35 premises to determine the cause and origin of the fire or explosion.

36 (b) The Commissioner of Public Safety as State Fire Marshal, any
37 local fire marshal and all duly authorized police personnel shall
38 provide quarterly reports to the Insurance Commissioner detailing all
39 cases in which it is known or suspected that a fire or explosion was the
40 result of a wilful act designed to perpetrate insurance fraud.

41 Sec. 2. Section 31-290d of the general statutes is repealed and the
42 following is substituted in lieu thereof:

43 (a) There shall be a workers' compensation fraud unit within the
44 office of the Chief State's Attorney in the Division of Criminal Justice.
45 The unit, under the supervision of the Chief State's Attorney, may,
46 upon receipt of a complaint, at the request of the chairman of the
47 Workers' Compensation Commission or on its own initiative,
48 investigate cases of alleged fraud involving any claim for benefits, any

49 receipt or payment of benefits, or the insurance or self-insurance of
50 liability under sections 31-275 to 31-355a, inclusive, as amended. Upon
51 conclusion of the investigation, the Chief State's Attorney shall take
52 appropriate action to enforce the laws of this state.

53 (b) The workers' compensation fraud unit shall submit a quarterly
54 report detailing its activities to the chairman and the Advisory Board
55 of the Workers' Compensation Commission and to the Insurance
56 Commissioner.

57 (c) The cost of the workers' compensation fraud unit shall be
58 appropriated by the General Assembly as an expense of the Workers'
59 Compensation Commission and shall be paid from the Workers'
60 Compensation Administration Fund established under section 31-344a.
61 The unit shall not engage in nor be assigned any duties or
62 responsibilities other than those authorized by or necessary to carry
63 out the provisions of this section.

64 Sec. 3. Section 38a-12 of the general statutes is repealed and the
65 following is substituted in lieu thereof:

66 (a) The commissioner shall, annually, submit to the Governor a
67 report of [his] the commissioner's official acts and of the condition of
68 all insurance companies doing business in this state, with a condensed
69 statement of their reports made to [him] the commissioner or accepted
70 by [him] the commissioner, together with an abstract of all accounts
71 rendered to any court by any receiver of a domestic insurance
72 company, a statement of the fees received by [him] the commissioner
73 and paid by [him] the commissioner to the Treasurer and such other
74 facts as are required by law.

75 (b) On or before January 15, 2001, and annually thereafter, the
76 commissioner shall submit to the joint standing committee of the
77 General Assembly having cognizance of matters relating to insurance a
78 report detailing all the information that the commissioner received
79 pursuant to sections 29-311, as amended by this act, 31-290d, as

80 amended by this act, 38a-356, as amended by this act, and 53-445, as
81 amended by this act.

82 Sec. 4. Section 38a-356 of the general statutes is repealed and the
83 following is substituted in lieu thereof:

84 (a) Any authorized employee of the Department of Public Safety,
85 Department of Motor Vehicles or a local police department may in
86 writing request any insurance company to release to such employee
87 information relative to any investigation it has made concerning a
88 motor vehicle's loss or potential loss or any information relating to
89 fraud or potential fraud in any claim under a motor vehicle insurance
90 policy. Any insurance company, on its own initiative, may provide and
91 disclose information relating to fraud or potential fraud to such
92 authorized persons. Any authorized employee who, pursuant to this
93 section, receives any report or information relating to fraud or
94 potential fraud in any claim under a motor vehicle insurance policy
95 shall report such information to the Insurance Commissioner no later
96 than fifteen days after its receipt. Any insurance company shall
97 disclose to the Insurance Commissioner all information in its
98 possession relating to its investigation of insurance fraud under a
99 motor vehicle policy. Such information shall include, but not be
100 limited to: (1) An insurance policy relative to such loss, (2) policy
101 premium records, (3) history of previous claims, and (4) other relevant
102 material relating to such loss or potential loss or to such fraud or
103 potential fraud.

104 (b) Any insurance company so requested shall furnish such
105 information to any such employee and shall permit the Insurance
106 Commissioner or the commissioner's designee and any person ordered
107 by a court to inspect its records pertaining to the policy and loss. Any
108 insurance company may request any such employee to release
109 information relative to any departmental investigation concerning the
110 loss. Any information obtained relative to fraud or potential fraud may
111 be disclosed to any central reporting bureau and any law enforcement

112 agency.

113 (c) Any authorized employee of the Department of Public Safety,
114 the Department of Motor Vehicles or local police department shall
115 provide to the Insurance Commissioner quarterly reports detailing all
116 information received or investigations conducted by such employee
117 concerning insurance fraud in any claim under a motor vehicle
118 insurance policy.

119 ~~[(c)]~~ (d) In the absence of fraud, malice or criminal act, no insurance
120 company, authorized employee or person who furnished information
121 on behalf of such company or department, shall be liable for damages
122 in a civil action or subject to criminal prosecution for any oral or
123 written statement made pursuant to the provisions of this section.

124 ~~[(d)]~~ (e) Information furnished pursuant to this section shall be held
125 in confidence until its release is required pursuant to a criminal or civil
126 proceeding.

127 Sec. 5. Section 53-444 of the general statutes is repealed and the
128 following is substituted in lieu thereof:

129 Any insurer, as defined in subsection (c) of section 53-441, that is
130 aggrieved as a result of an act of insurance fraud may institute an
131 action against the perpetrator of such fraud to recover all damages
132 resulting from the fraud. Any person perpetrating health insurance
133 fraud shall be liable to the insurer for treble damages in a civil
134 proceeding under section 52-564.

135 Sec. 6. Subsection (a) of section 53-445 of the general statutes is
136 repealed and the following is substituted in lieu thereof:

137 (a) Any person, including an insurer, as defined in subsection (c) of
138 section 53-441, who has knowledge of or has reason to believe that
139 health insurance fraud, as defined in section 53-442, has occurred, shall
140 provide notice and any [additional] information, evidence and
141 documentation in [his] the person's or its possession relative to the

142 suspected fraud [as] to the Insurance Commissioner. [may require.]

143 Sec. 7. Subsection (a) of section 53a-215 of the general statutes is
144 repealed and the following is substituted in lieu thereof:

145 (a) A person is guilty of insurance fraud when [he] the person, with
146 the intent to injure, defraud or deceive any insurance company: (1)
147 Presents or causes to be presented to any insurance company, any
148 written or oral statement including computer-generated documents as
149 part of, or in support of, any application for any policy of insurance
150 [providing coverage for loss or damage to real or personal property
151 caused by fire] or a claim for payment or other benefit pursuant to
152 such policy of insurance, knowing that such statement contains any
153 false, incomplete, or misleading information concerning any fact or
154 thing material to such application or claim; or (2) assists, abets, solicits,
155 or conspires with another to prepare or make any written or oral
156 statement that is intended to be presented to any insurance company
157 in connection with, or in support of, any application for any policy of
158 insurance [providing coverage for loss or damage to real or personal
159 property caused by fire] or any claim for payment or other benefit
160 pursuant to such policy of insurance, knowing that such statement
161 contains any false, incomplete, or misleading information concerning
162 any fact or thing material to such application or claim for the purposes
163 of defrauding such insurance company.

Statement of Purpose:

To establish reporting requirements for persons who have knowledge of actual or suspected insurance fraud relating to workers' compensation, arson, health insurance and automobile claims, and to broaden the definition of insurance fraud contained in section 53a-215 of the general statutes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]